

109TH CONGRESS
2D SESSION

S. 2257

To provide for an enhanced refundable credit for families who resided in the Hurricane Katrina disaster area on August 28, 2005.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2006

Mr. OBAMA (for himself, Ms. LANDRIEU, Mr. DURBIN, and Mr. KERRY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for an enhanced refundable credit for families who resided in the Hurricane Katrina disaster area on August 28, 2005.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hurricane Katrina
5 Working Family Tax Relief Act of 2006”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The child tax credit is the Federal Govern-
2 ment's largest subsidy for children, with an annual
3 value of over \$55,000,000,000.

4 (2) More than 25 percent of all children, includ-
5 ing nearly 50 percent of all African-American chil-
6 dren and 46 percent of all Latino children, are in
7 families too poor to qualify for the full \$1,000 per
8 year child tax credit, in spite of the fact that the
9 vast majority of these children are in working fami-
10 lies.

11 (3) Parents who have 2 children and who both
12 work full time for a full year at the minimum wage
13 will earn too little to be eligible for the full child tax
14 credit, and a single mother who works full time for
15 a full year at the minimum wage will earn too little
16 to be eligible for even a partial child tax credit.

17 (4) The damage caused by Hurricane Katrina
18 covered 90,000 square miles along America's Gulf
19 Coast, and many of the devastated counties and par-
20 ishes already had among the highest rates of poverty
21 and child poverty in the nation.

22 (5) Mississippi and Louisiana are two States
23 with the highest proportions of children left out of
24 the full child tax credit.

1 **SEC. 3. WORKING FAMILY TAX RELIEF.**

2 For purposes of section 24(d) of the Internal Revenue
3 Code of 1986 (relating to portion of child tax credit made
4 refundable), in the case of any taxable year beginning dur-
5 ing 2006 or 2007, with respect to any taxpayer who had
6 a primary residence in the Hurricane Katrina disaster
7 area (as defined in section 1400M(2) of such Code) on
8 August 28, 2005, clause (i) of section 24(d)(1)(B) of such
9 Code shall be applied by substituting 10 percent of the
10 taxpayer's earned income for such taxable year for the
11 amount which would otherwise be determined under such
12 clause for such taxable year. A taxpayer may elect not to
13 have this section apply for any taxable year.

○